

FISCAL NOTE

Bill #: SB0118

Title: Submit assessment fee increase work employers to electors

Primary

Sponsor: Fred Thomas

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	\$45,007	\$0
Revenue:		
State Special Revenue	\$ 1,185,817	\$ 1,059,267
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

Department of Labor and Industry

1. This fiscal note only addresses a portion of the additional revenue associated with raising the rate to 3.5%. The full fiscal impact of the increase is disclosed in the SB117 fiscal note.
2. Revenue projections are based on projections of benefits paid of \$123,959,399 in calendar year (CY) 1998, which is the base for FY 2000 and \$119,334,937 in CY 1999 which is the base for FY 2001. The calendar year 1998 projection is based on three-quarters of actual reported benefit paid information by insurers. Calendar year 1999 benefit projections assume the downward trend in total benefit payments will continue.

(continued)

Benefit Payment

CY96	\$141,298,688
CY97	\$134,089,297
CY98	\$123,959,399
CY99	\$119,334,937

Secretary of State

3. For purposes of CI-75 and submitting SB118 to the electorate, this issue is only one of many likely to be submitted. Therefore, the impact presented in the fiscal note is only for the “extra” (marginal) cost which would be incurred by the state in preparing a Voter Information Packet (VIP) for the specific issue contained in the proposed bill. The VIP circulation is 525,000.
4. SB118 will require at least 8 pages of explanation to be printed in the VIP at .00236 cents per page for a total cost of \$9,912. (8 x .00236 x 525,000)
5. Although counties also will incur a cost for distribution of the VIP, funding will be distributed to the counties by the Secretary of State for this purpose. County cost is .008356 per page for a total of cost of \$35,095. (8 x .008356 x 525,000)
6. Although the Secretary of State does not have a general fund budget, the cost of submitting these issues to the electorate will be supported with general fund.
7. In the event SB117 is adopted, thereby generating the proposed state special revenue, the general fund would be reimbursed the \$45,007 cost of the ballot issue. (\$9,912 from # 2 and \$35,095 from # 3)
8. The Secretary of State will maintain records of the marginal cost for each ballot issue and notify agencies of the general fund reimbursement due after the election. Each agency will receive a one-time-only transfer appropriation for this purpose.
9. For purposes of the general fund balance in the Fiscal Summary on page 1, it is assumed the SB118 issue is adopted by the voters.

FISCAL IMPACT:

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Department of Labor and Industry		
<u>Revenues:</u>		
State Special Revenue (02)	\$ 1,185,817	\$ 1,059,267
Secretary of State		
<u>Expenditures:</u>		
Operating Expenses	\$9,912	\$0
Transfer to Counties	<u>35,095</u>	<u>0</u>
TOTAL	\$45,007	\$0
<u>Funding:</u>		
General Fund (01)	\$45,007	\$0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	\$0	
State Special Revenue (02)	\$1,140,810	\$0

TECHNICAL NOTES

Secretary of State

1. Upon passage and approval of the SB118 ballot issue by the electorate, the Secretary of State would bill the Department of Labor and Industry \$45,007 for its proportionate share of the VIP and distribution costs incurred by the counties to be paid from the new state special revenue created by approval.
2. If the ballot issue were not approved, the general fund appropriated in HB2 would bear the cost.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

CI -75: For SB118 the mailing costs of the VIP and the extra item on the ballot would be marginal costs.

Assuming 8 pages for this issue at .008356 per page distributed to 525,000 addresses, counties would incur a cost of \$35,095 in FY 2000 See the third assumption of Secretary of State.

TECHNICAL NOTES in consideration of CI-75

1. The costs presented for the SB118 ballot issue will be included in a comprehensive analysis of the planned electorate vote(s) prior to the end of the session, based on all ballot issues adopted by the 56th Legislative Assembly.
2. When considering the comprehensive costs of an electorate vote, any costs greater than \$194,203 which are distributed to the counties must be funded by the Legislature (1-2-112, MCA).
3. For FY 2000, a statewide election would have a base cost of \$690,000 for the counties and \$46,987 for the state for total general fund of \$736,987. General fund will be appropriated in HB2 to the Secretary of State for this statewide base cost and all the cumulative per-ballot-issue marginal costs at the end of the session.
4. In FY 2001, a tax election would be combined with a general election and would, therefore, require only marginal costs for ballot issues.